

## Message Text

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EUR/NE:APINKNEY (INFO)

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FM SECSTATE WASHDC

TO AMEMBASSY OSLO

UNCLAS STATE 202626

E.O. 11652: N/A

TAGS:APUB, NO

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO NORWAY

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 8,920,000 TO K/S SEA-TROLL A/S. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, DC, FOR AM PAPERS, FRIDAY, AUGUST 29, 1975.

QUOTE: EXIMBANK CREDIT OF DOLS 8,920,000 HELPS FINANCE DOLS 22.3 MILLION SALE OF US EQUIPMENT FOR DOLS 100 MILLION PIPE-LAYING AND DERRICK SHIP OF NORWEGIAN PARTNERSHIP

THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 8,920,000 TO A NORWEGIAN PARTNERSHIP TO HELP FINANCE US MATERIALS AND EQUIPMENT FOR A COMBINED PIPE-LAYING AND DERRICK SHIP TO BE USED IN OPERATIONS IN THE NORTH SEA AND ELSEWHERE. THE BORROWER, K/S SEA TROLL A/S, IS A RECENTLY FORMED PARTNERSHIP COMPRISING UNCLASSIFIED

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E.T. P.M., PARIS, THE NORWEGIAN ODD BERG GROUP, THE BJORGE GROUP, THE EINAR LANGE GROUP, AND THE GENERAL PARTNER, SEA-TROLL A/S.

THE VESSEL WILL BE BUILT AT THE HAMBURG YARD OF BLOHM AND BOSS AG., AT A TOTAL COST ESTIMATED AT DOLS 100 MILLION. ITS SPECIAL EQUIPMENT WILL CONSIST OF A FULL REVOLVING CRANE WITH A LIFTING CAPACITY OF 2,000 TONS, PIPE-LAYING EQUIPMENT WHICH CAN HANDLE PIPE UP TO 50 INCHES IN DIAMETER, AND TWELVE 20-TON ANCHORS AND POSITIONING WINCHES OF 1600 HORSEPOWER EACH. ACCORDING TO SEA-TROLL, IT WILL BE CAPABLE OF LAYING HEAVY PIPE AT DEPTHS GREATER THAN ANY EXISTING SHIP. COMPLETION IS EXPECTED BY 1976.

U.S. SUPPLIERS WILL BE AMCA INTERNATIONAL CORPORATION (CLYDE IRON), PORT DEPOSIT, MARYLAND, WESTERN GEAR CORPORATION, EVERETT, WASHINGTON, AND SKAGIT CORPORATION, SEDRO WOLLEY, WASHINGTON.

THIS EXIMBANK-SUPPORTED TRANSACTION REPRESENTS A HIGHLY SIGNIFICANT SALE FOR THE US SUPPLIERS. EXIMBANK'S CHAIRMAN WILLIAM J. CASEY POINTED OUT THAT THERE IS A TREND TOWARDS THE MANUFACTURE OF OIL DRILLING EQUIPMENT ABROAD, WHICH HERETOFORE REPRESENTED A SELLER'S MARKET FOR US COMPANIES. THE MARKET FOR THE SALE OF THIS TYPE OF EQUIPMENT IS CHANGING AS MORE EUROPEAN AND JAPANESE FIRMS ARE NOW ENTERING THE BUSINESS.

EXIMBANK'S CREDIT REPRESENTS 40 PERCENT OF THE TOTAL U COSTS. CREDITS TOTTALLING DOLS 11,150,000 TO COVER 50 PERCENT OF THE US COSTS, WILL BE EXTENDED BY THE FOLLOWING NORWEGIAN AND FRENCH BANKS: BANQUE FRANCAISE DU COMMERCE EXTERIEUR OF FRANCE, CHRISTIANA BANK OF KREDITKASSE, ANDRESENS BANK AND FELLESBANKEN, ALL OF NORWAY. K/S SEA-TROLL A/S WILL MAKE CASH PAYMENT OF 10 PERCENT, REPRESENTING THE BALANCE OF THE US COSTS.

EXIMBANK'S INTEREST RATE OF 8.5 PERCENT PER ANNUM, COMBINED WITH THE INTEREST RATE FROM PRIVATE SOURCES WILL RESULT IN A BLENDED ANNUAL INTEREST COST TO THE BORROWER OF BETWEEN 8.83 PERCENT TO 9.08 PERCENT PER ANNUM. REPAYMENT OF THE EXIMBANK CREDIT IS TO BE GUARANTEED BY THE PRIVATE LENDERS. UNQUOTE INGERSOLL

UNCLASSIFIED

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